

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 COME-00 /018 W

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P 280845Z APR 76

FM AMEMBASSY MUSCAT

TO SECSTATE WASHDC PRIORITY 2070

C O N F I D E N T I A L MUSCAT 0518

E.O. 11652: GDS

TAGS: BGEN, PFOR, MU

SUBJECT: INTERCONTINNENTAL HOTEL PROJECT

REF: STATE 101464

1. IHC MESSAGE IN STATE 095769 WAS DELIVERED TO MINISTER RAJAB APRIL 21. WE ASSUMED HE HAD REPLIED TO IHC. ON RECEIVING STATE 101464 APRIL 28, AMBASSADOR PHONED RAJAB WHO CONFIRMED HE HAD RECEIVED THE MESSAGE A WEEK AGO. HE SAID HE WOULD BE SENDING ME LATER IN THE DAY COPIES OF ONE OR MORE MESSAGES THAT WILL MAKE IT CLEAR THE PROBLEM IS NOT A TECHNICAL ONE OF COMMUNICATIONS BREAKDOWN BUT IS MUCH DEEPER. IHC, SAID RAJAB, "DOES NOT WANT TO UNDERSTAND THEIR RESPONSIBILITY," NOR DO THEY COOPERATE SO AS TO DO BUSINESS SATISFACTORILY IN OMAN. HE CONTRASTED IHC "SHORTCOMINGS" WITH PAN AMERICAN ITSELF WHICH, HE SAID, CONDUCTS ITSELF PROPERLY AND ENJOYS EXCELLENT RELATIONS HERE. IHC POSES "CONTRADICTIONS" WHICH STAND IN THE WAY OF GOOD RELATIONS.
2. RAJAB SAID THE MEETING CURRENTLY SCHEDULED FOR MAY 25 HAS BEEN CALLED BY ACTING CHAIRMAN OF FINANCE COMMITTEE (READ QAIS ZAWAWI).
3. AMBASSADOR ON APRIL 27 HAD RAISED IHC MATTER WITH ZAWAWI ALONG LINES STATE 095674 PARA 6-C, ALSO MENTIONING OMANGOV'S APPARENT FAILURE TO EXPLAIN TO IHC WHY JOSEPH NEVILLE WAS EVICTED. ZAWAWI SAID HE CERTAINLY KNOWS OF STRAINED RELATIONS AMONG SOME OF PRINCIPAL PARTIES TO THIS PROJECT. HE SAID HE PLANS PERSONALLY TO ATTEND THE MEETING OMAN IS NOW CALLING FOR, AND IT IS MAINLY BECAUSE HE WILL BE AWAY IN EARLY MAY THAT THE NEW DATE IS MAY 25 RATHER THAN EARLIER. SAID HE IS  
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CONTINUING TO BRIEF HIMSELF ON BACKGROUND AND STATUS OF PROJECT,

AND HAD RECENTLY PAID A THOROUGH VISIT TO THE SITE. HE  
AVOIDED COMMENTING ON NEVILLE CASE PER SE.

4. COMMENT: MAY HAVE MORE TO SAY AFTER WE SEE CONTENTS OF  
MESSAGES RAJAB IS SUPPLYING US. IT IS ALREADY CRYSTAL CLEAR  
THAT, WHATEVER ALL THE ROOT CAUSES MAY BE, BAD FEELING BETWEEN  
RAJAB AND IHC IS RUNNING AS STRONG AS EVER. WHILE EMBASSY'S  
CONTINUED ASSISTANCE OF GENERAL NATURE, AND TO ASSUME PROPER  
COMMUNICATIONS AT THIS TIME WHEN IHC HAS NO REPRESENTATIVE HERE,  
MAY BE IN ORDER, I BELIEVE THAT IN NO EVENT SHOULD USG GET  
INTO SUBSTANTIVE DISCUSSION WITH OMANGOV OF THE VARIOUS CONTRACT  
ISSUES INVOLVED. PROJECT HISTORY IS TOO CONTROVERSIAL AND  
POTENTIAL RAMIFICATIONS ARE TOO WIDE-RANGING (AND MIXED UP  
WITH KEY PERSONALITIES) FOR THAT.  
WOLLE

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PERSONAL OPINION, HOTELS, PROGRAMS (PROJECTS)  
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